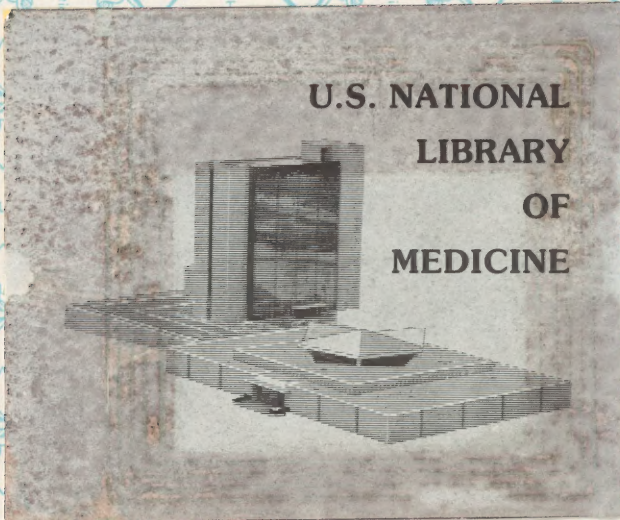
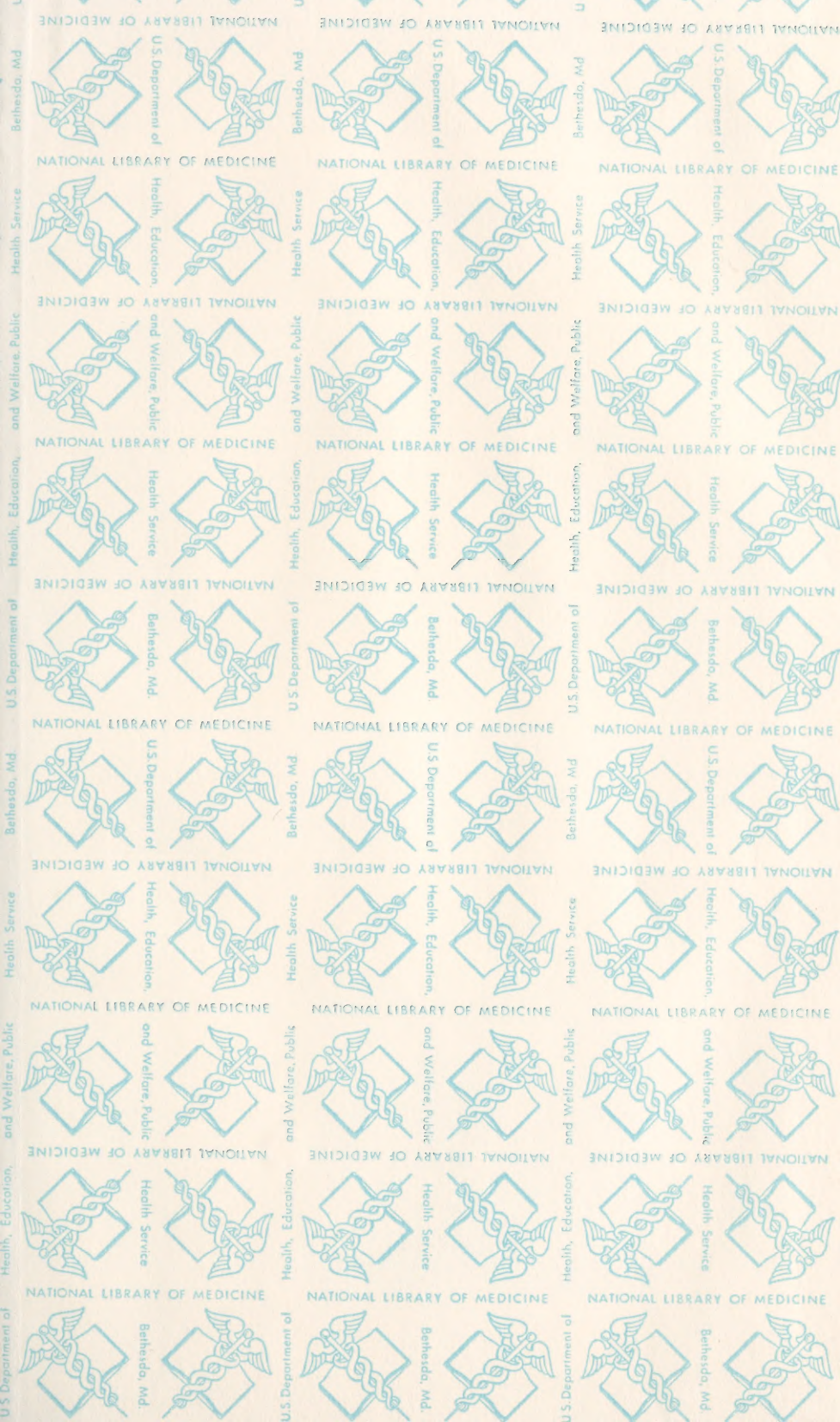




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SPITALIZATION OF RETIRED
ENLISTED MEN

HEARING

BEFORE A

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SUBCOMMITTEE OF THE
COMMITTEE ON MILITARY AFFAIRS
UNITED STATES SENATE

SEVENTY-SIXTH CONGRESS

THIRD SESSION

ON

S. 1460

A BILL TO PROVIDE UNIFORM RECIPROCAL HOSPITALIZATION
IN ANY ARMY OR NAVY HOSPITAL FOR RETIRED PER-
SONNEL OF THE ARMY, NAVY, MARINE CORPS,
AND COAST GUARD, AND FOR OTHER
PURPOSES

AND

S. 1461

A BILL TO REMOVE DISCRIMINATIONS AGAINST RETIRED
ARMY ENLISTED PERSONNEL AND TO EQUALIZE HOS-
PITALIZATION AND DOMICILIARY BENEFITS OF
RETIRED ENLISTED MEN OF THE ARMY,
NAVY, MARINE CORPS, AND COAST GUARD

FEBRUARY 13, 1940

Printed for the use of the Committee on Military Affairs



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EDWIN C. JOHNSON of Colorado

HOSPITALIZATION OF RETIRED ENLISTED MEN

TUESDAY, FEBRUARY 13, 1940

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m., Senator Edwin C. Johnson, of Colorado, presiding.

Present: Senator Johnson of Colorado.

Senator JOHNSON of Colorado. The subcommittee has under consideration S. 1460 and S. 1461, which will be inserted in the record at this point.

(The bills are as follows:)

[S. 1460, 76th Cong., 1st sess.]

A BILL To provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and Fleet Naval and Fleet Marine Corps reservists requiring hospitalization shall be entitled to enter any Army or Navy hospital upon their own personal request, under the same conditions as are now, or which hereafter may be, fixed for the active service.

SEC. 2. Applicants requiring only temporary or dispensary treatment shall be accorded such service under the same regulations as govern dispensary treatment to active service personnel.

SEC. 3. Applicants residing within an Army or Navy hospital area, who require medical attention and who are unable, because of physical disability, to journey to such Army or Navy hospital, shall be accorded out-patient treatment on parity with active service personnel residing within the same hospital area.

[S. 1461, 76th Cong., 1st sess.]

A BILL To remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard

Whereas enlisted men of the Navy contribute 20 cents per month from their pay as a hospital charge; and

Whereas enlisted men of the Army contribute 25 cents per month from their pay for the maintenance of the United States Soldiers' Home; and

Whereas retired enlisted men of the Navy and Marine Corps, when hospitalized or domiciled in any Navy hospital or naval home, are accorded such hospitalization or maintenance without cost; and

Whereas retired Army enlisted men, hospitalized in an Army hospital or domiciled in the United States Soldiers' Home, are required to pay for their maintenance in an Army hospital or the United States Soldiers' Home: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard, when hospitalized or domiciled in either an Army or Navy hospital or United States naval or United States soldiers' home, shall be extended such treatment or domiciliary care without cost.

That no charge, directly or indirectly, shall be made against the retired pay or allowances of retired enlisted personnel while hospitalized or domiciled in any Army or Navy hospital or United States naval or soldiers' home facility.

STATEMENT OF JOHN H. HOEPEL, FIRST LIEUTENANT, UNITED STATES ARMY, RETIRED; EDITOR "NATIONAL DEFENSE," FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Senator JOHNSON of Colorado. We will first hear Mr. Hoeppel.

Mr. HOEPEL. Mr. Chairman, before proceeding with my remarks on the bill you have before you, I wish to thank you and the members of this committee for having enacted into law, in Public, 198, of the last session of Congress, the provision extending to retired officers and men of the services free hospitalization in Veterans' Administration facilities. That was a distinct forward step in the interest of our disabled retired personnel, and I wish to go on record at this time as thanking you and the members of this committee for the consideration extended us.

I will first discuss the bill in which the War Department has recommended an amendment.

Senator JOHNSON of Colorado. What bill are you about to discuss?

Mr. HOEPEL. Senate bill 1461, which is the basic bill. I think that when the War Department recommended the insertion of the word "hereafter," with no other suggestion of amendment, they intended that this bill in itself be accepted with that amendment, because no reference was made whatever in respect to hospitalization, and I think they intended in their letter to refer to Senate bill 1460, where there is objection.

Mr. Chairman, this is the point; all allowances which I receive are pay, by decision of the Secretary of the Treasury and of the War Department, and the War Department says that that cannot be deducted when I go into the Soldiers' Home, and a similar ruling would obtain it seems to me, when I go into an Army hospital. Therefore I feel, just from reading this report, that the War Department is satisfied with Senate bill 1461 as written.

Senator JOHNSON of Colorado. Yes; but under the present law the enlisted men of the Army make a contribution to the Soldiers' Home, but they make no contribution to the hospitals.

Mr. HOEPEL. That is true. They however, pay directly for their hospitalization.

Senator JOHNSON of Colorado. Perhaps that accounts for the different application the War Department has made as between these two bills.

Mr. HOEPEL. I think their principal objection is as to Senate bill 1460. It is not a question of deduction that is involved, it is that the Secretary of the Treasury has ruled that our allowances are pay, hence that our allowances are pay and cannot be forfeited in the Soldiers' Home, when we are domiciled, and our allowances are also pay and cannot be forfeited when we are hospitalized. We are enlisted men. I am an enlisted man of the Army, according to their records. I am in service today, subject to court martial. They do not deduct anything from an enlisted man of the active service who goes into a hospital, so why should there be a deduction from me? I am still in the service, subject to every War Department law.

Senator JOHNSON of Colorado. You are in the service, but not in the pay?

Mr. HOEPEL. I am in the pay; I am receiving retired pay today from the Army, after 30 years' service.

If you wish to have me present my argument in reference to Senate bill 1461, I will do so.

Senator JOHNSON of Colorado. Proceed in your own way; use your own judgment.

Mr. HOEPEL. Very well. I will first cover Senate bill 1461, because that is the basic bill which the War Department has, I believe, tentatively or directly approved.

Senator JOHNSON of Colorado. They have approved it in part.

Mr. HOEPEL. They offered an amendment. It appeared to me that if they were objecting to any other portion of it they would so indicate by a suitable reference and amendment.

Major WATT. Perhaps it would be well to introduce the War Department letter at this point.

Senator JOHNSON of Colorado. Yes; I think that should be made a part of the record.

(The letter is as follows:)

WAR DEPARTMENT,
Washington, January 26, 1940.

HON. MORRIS SHEPPARD,

*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR SENATOR SHEPPARD: In further reference to your request of February 21, 1939, for a report on the bill S. 1461, Seventy-sixth Congress, first session, and the reply of the War Department, dated May 16, 1939, the following additional comment is submitted.

The bill S. 1461 in part provides: "that no charge directly, or indirectly, shall be made against the retired pay or allowances of retired personnel while hospitalized or domiciled in any Army or Navy hospital or United States naval or soldiers' home facility."

As respects the deduction made at the United States Soldiers' Home of that part of the compensation of retired enlisted men which comprises an allowance of \$9.50 per month in lieu of rations and clothing and \$6.25 per month in lieu of quarters, fuel, and light, the War Department in its report to the committee stated as follows:

"Under the long-established practice of the Government which does not permit a person to receive a monetary allowance for a particular purpose at the same time that he is receiving the allowance in kind, the regulations of the Soldiers' Home require that a retired enlisted man, while domiciled at the home, pay to the home the allowances granted by the Government in lieu of rations, clothing, quarters, fuel, and light."

Since submission of the aforementioned report, the Department has been advised of a ruling of the Treasury Department "that the act of March 2, 1907, which merely reenacted the existing law (as to retirement pay) and added provision for definite sums as allowances, including commutation for quarters, fuel, and lights, does not constitute the character of allowances as anything other than a part of 'his entire personal pay.' * * * Amounts received by such men (retired enlisted men) in addition to pay proper, regardless of terminology employed, are accordingly in the nature of additional compensation for services rendered and are taxable as such, and should be included in information returns on Form 1099 for retired enlisted men and noncommissioned officers of the United States Army." In substance, this ruling is to the effect that the \$15.75 received by a retired enlisted man in lieu of rations, clothing, quarters, fuel, and light, is pay rather than an allowance.

In view of the ruling of the Treasury Department, the War Department withdraws its opposition to such part of the bill S. 1461, Seventy-sixth Congress, first session, as would prohibit deduction of the sum of \$15.75 from the retired pay of enlisted men domiciled in the United States Soldiers' Home, provided the bill be amended by inserting immediately after the word "shall" in line 8 the word "hereafter." However, this change would not modify the Department's objection to other features of the bill.

Sincerely yours,

HARRY H. WOODRING, *Secretary of War.*

Mr. HOEPEL. Comrade Irving A. Jennings, chairman of the national legislative committee of the American Legion, and John Thomas Taylor, director of the same committee, have authorized me to state that the American Legion is in favor of these two bills. They have endorsed them repeatedly at their various conventions, and endorsed them at the last convention, held at Chicago. Those gentlemen cannot be present, but they authorized me to speak in their behalf.

In reference to hospitalization, referring to Senate bill 1461, we are seeking the same right to enter an Army hospital, that is, those of us who are retired are, as is extended by the Government to Navy and Marine Corps men to enter a Navy hospital. A navy man, one who did not serve in war, but who is retired, is permitted to enter the hospital at San Diego, or any Navy hospital, free. Some of us men are veterans of four wars. I conversed with one last night at the Soldiers' Home. We are forced today, even though our disabilities are of combat origin, to pay when we are hospitalized in an Army hospital.

The statement will be made that we do not pay for hospitalization. The Navy pays 20 cents for hospitalization. That is now the basis of their receiving free treatment. Contrariwise, we pay 25 cents at the Soldiers' Home here, and we are charged for our domiciliary care. The Navy enlisted man does not pay for domiciliary care. Old men, disabled men, when they go to the Naval Home at Philadelphia are admitted free. The retired enlisted men of the Navy and the Marine Corps both receive free hospitalization and free domiciliary care. The only man in the world in connection with our services who is forced to pay is a retired enlisted man of the Army. The retired enlisted man of the Coast Guard is given free hospitalization. We are the only individuals who must pay when we go into the hospitals.

Major Watt just read a report, which report is not true to the facts. This letter of the War Department is absolutely at variance with the facts.

The major will confirm this statement that, if a man in San Francisco is in the recruiting service, for instance, a private, a man just enlisted, he receives \$22.50 a month for quarters, his clothing allowance is approximately \$5 a month, and he receives \$1.20 a day for subsistence. The War Department says they do not furnish material in kind when a man receives a cash award. Yet that raw recruit, who is on recruiting service, if he goes into the hospital—the Letterman Hospital at San Francisco, for example—does not forfeit his clothing allowance, does not forfeit his \$22.50 quarters allowance. The only thing he forfeits is his "eats." Yet we retired enlisted men, who receive only three-fourths of the pay, when we go into the hospital at Letterman, forfeit our quarters allowance, we forfeit our clothing allowance, we forfeit our subsistence allowance, and, in addition, we must dig down into our three-quarters pay to pay for our hospitalization.

I contend it is unfair, and the statement of the War Department referred to is contrary to the fact. They do furnish allowances in cash, and also in kind, to active service men, and the retired enlisted men do not receive similar consideration.

I shall refer just briefly to four letters, and request your permission to insert them in the record.

Senator JOHNSON of Colorado. You may insert them.

Mr. HOEPEL. First, I refer to a letter from a man with 30 years' service in the Army. His letter is as follows:

HOPEWELL, N. J., November 23, 1938.

DEAR SIR: Will you please let me know if there will be a bill at the next session of Congress to help us retired men that were let out as private first class? I retired September 30, 1938, at the pay of \$43.81 after having most of my discharges excellent and stable sergeant for 7 years in the Field Artillery at United States Military Academy, West Point, N. Y. I have been unable to secure employment on account of my age (50) and at other places I applied they seem to think I could not be much to retire at such a low grade. The fact is that in the Reserve Officers Training Corps unit at Princeton University there were only two ratings.

ELMER J. LUTZ,

*Private First Class, Retired. General Delivery, Hopewell, N. J.;
Formerly Reserve Officers' Training Corps, Princeton, N. J.*

In contrast to this, a man who served 30 days during the World War goes into an Army hospital, and may occupy a bed beside this man of 30 years' service, and the World War veteran of 30 days' service will be taken care of absolutely free. I repeat, a man who saw only 30 days' service, and not foreign service at that, receives free treatment, but a man who is a veteran of two or three wars, and with service-connected disabilities, must pay.

I now refer to another letter:

[Extract]

DERRY, N. H., November 16, 1939.

I received \$40.30 per month. Not much to live on, and I have the asthma and sugar diabetes. It costs me about \$7 a month to buy insulin, besides the medicines. I am married. I am unable to work on account of my sickness. Of course when I retire in a couple of years, if I live that long, I will receive the \$15.75 for rations.

Now, if there is any way you can help me, I will be glad. I am, also hard of hearing. On my second enlistment, I was discharged for disabilities and received a rupture while working aboard ship.

Mr. Chairman, this practically helpless man must pay when he goes into a hospital.

Here is another letter:

[Extract]

WILDWOOD, GA., January 14, 1940.

I enlisted in the Third Tennessee Volunteer Infantry in 1898. I retired November 5, 1918, out of Company B, One Hundred and Sixty-third Infantry. Was overseas in Company B, Eighteenth Infantry, until I was operated on in the field near Toul. Had an infected foot; could not get back to the First Division, so was advised by Colonel McIntyre to retire.

I was a sergeant in Company M, Fifty-ninth Infantry; transferred to the Seventy-sixth Division and retired a corporal.

My retirement pay is \$56.25 per month.

This comrade receives only \$56.25 a month retired pay, after 30 years of honorable service and participation in two wars. If he goes into an Army hospital, he must pay \$19.50 a month and occupying a bed beside him may be a man who served in a Tennessee volunteer regiment with him in the Philippines, and that man does not pay anything. The latter receives \$60 or \$100 a month pension, for 90 days' service, which is all that is required, but this other man after 30 years of service receives only \$56.25 a month. It is unfair to these men with long service.

Here is another case. The question is brought up in connection with the Coast Guard. It is a question of simple justice in reference to the Coast Guard. The Coast Guard retired personnel is a very small number. I estimate they are approximately 700 to 800. I

do not know the total number in that group that may be disabled. This Coast Guard man, who lives at Bishop, Md., writes as follows:

BISHOP, MD., *January 30, 1940.*

DEAR SIR: Permit me to introduce myself. I am a retired United States Coast Guard service man. I have arthritis of the spine and bronchial trouble and am helpless. My wife and my daughter have been nursing me since 1925. I was retired in 1924. I enlisted in the service in 1913.

I am retired on \$51.75, and it is impossible to support my wife and daughter and pay my doctor bills. I have to pay my doctor \$5 every trip he makes to me. Do I have to pay the Government doctor? Let me know.

I am asking you a favor to see if there is a chance of increase of my present retired pay, as I have read in the paper you sent me that there is a chance for us peacetime veterans.

Hope to hear from you.

CHARLES JOHNSON.

He is hoping that we will get some relief for him. That is a pathetic case.

These men were all disabled in the Service.

Another Coast Guard man lives at Hutchinson, Kans. The only place where he can now receive hospitalization—he receives retired pay of \$75.60 a month—is at Chicago or New Orleans. He must journey from Hutchinson, Kans., either to Chicago or New Orleans, where there is a Public Health office, for treatment for service-connected disabilities. If this bill is put through, he will then be authorized and permitted to go in any Army or Navy hospital wherever facilities are available, and he would be treated. He would not be forced to go so far away from his people.

My principal argument will rest on the other bill.

Senator JOHNSON of Colorado. What do you mean by the other bill?

Mr. HOEPEL. S. 1460, for reciprocal hospitalization.

I think I have shown you clearly the injustices which we suffer; but before concluding I should like to refer to an article in the Saturday Evening Post by Gen. Hunter Liggett, who served overseas during the World War. Writing in the Saturday Evening Post of July 2, 1927, and referring to men like myself, men on the retired list, he stated:

The noncommissioned officers of the old Army who were raised to commissioned rank did particularly well. They had been the backbone of the old Army, and I never knew of a case of failure in France.

Sergeant Woodfill, the most outstanding hero of the World War, is included in this group. Yet when he goes into the hospital he is forced to pay for hospitalization, but a man with 30 minutes' service may go into that same hospital and be treated free. It is absolutely unfair, Senator, for the War Department, with this report of the Treasury Department furnishing a valid reason for us to receive this benefit, to come in here and oppose free hospitalization for us.

I notice our President is intending to spend \$10,000,000 for hospitalization for the nonveteran population, which will include hundreds, and probably thousands, of aliens. We hear much concern being expressed for the improvident and unfortunate at Blue Plains. I am in sympathy with them. We have foreigners out there who are taken care of, yet, Senator, our own men, who served honorably for 30 years, are being treated dismally by our own Government. We are giving more consideration to the foreigners than to our retired enlisted men.

In the city of Los Angeles they are paying as high as \$138 a month to aliens on relief. I am only asking for simple justice when I ask your favorable report on this bill to give these old soldiers, who received such niggardly pay for their 30 years' of honorable service, just treatment. I am only asking you to give us a square deal.

Mr. Chairman, I shall conclude my remarks on S. 1461, asking permission to add anything further to the record if I have anything further to add.

Senator JOHNSON of Colorado. Very well.

Mr. HOEPEL. I am ready to proceed on the other bill.

Senator JOHNSON of Colorado. 1461?

Mr. HOEPEL. No; S. 1460. S. 1461 seeks to give to all retired enlisted men of the services the right to enter any Army or Navy hospital. We are not asking to go in Public Health facilities, because we know they are ill-equipped for it, and the bill provides only for Army and Navy facilities, where they are well equipped.

In reference to S. 1460, this is the bill to provide reciprocal hospitalization. In other words, it would permit me, if I were in San Diego, to go in a naval hospital, when there is no Army hospital available and, vice versa, it would permit a Navy enlisted man to go to an Army hospital when no Navy hospital was available.

Major WATT. Mr. Hoepfel, would you give us an illustration as to what would happen if you presented yourself to the naval hospital at San Diego?

Mr. HOEPEL. I will. I am going to cover that completely. This is the situation: We are asking only for reciprocal treatment when we need hospitalization. The men of the service who served 30 years are not malingerers. We never ask for hospitalization unless we require it. We do not go there for a home. We have an income, and we try to live as respectable citizens.

I will give you the procedure in reference to this bill. By direction of the President, orders were issued by the War and Navy Departments authorizing reciprocal hospitalization. It went on well for a year or two. The next thing we knew—and this is the condition that applies now, which we are seeking to remedy—the national commander, or past national commander of the Fleet Reserve Association, a friend of mine, became ill. He lived in Oakland. They took him over to Letterman Hospital in San Francisco. I do not know what day that was, or what hour. They would not admit him in the Letterman Hospital at San Francisco. He was left there in an automobile, suffering from 1 to 2 hours. They would not admit him, because they said, "You first must receive authority from the naval dispensary."

The naval dispensary is closed in the evening. The doctor is not there. It is closed on Saturdays and Sundays; and God help the poor Navy man who gets sick during that time.

This comrade died. He never left that hospital.

Less than a year ago another case occurred, with which Mr. Lofgren is familiar.

In the case of shipmate Green, I do not know the full details, but he was injured in an automobile accident, or something. He wanted to go to Letterman Hospital. They refused to accept him. He was buffeted about from one hospital to another, and they finally took him thirty-odd miles distant, to the Navy hospital at Vallejo, and because of the delay it is alleged that he contracted gangrene and died.

If what the President had originally authorized had been followed, we would have had no objection. If Navy personnel were permitted to go into an Army hospital or into a naval hospital, on request when they need hospitalization, there would be no objection; but they will not permit a retired Navy man to go in an Army hospital without going through the red tape, and he cannot contact the naval dispensary in San Francisco at all times. As a consequence, these men become reluctant to go through that red tape. Then they are forced to go thirty-odd miles distance to Vallejo. They are separated from their families. The families are at an expense going back and forth to visit them. It affects the mental state of the men themselves. They are separated from their families, cannot take a 5-cent street-car to go and visit them, and the effect on the men is injurious.

I think it is only fair and just that retired enlisted men who served honorably for 30 years should have the right to go into any Army or Navy hospital. The figure for hospitalization per man is approximately \$3.75 either in Vallejo or in Letterman. Hence the cost to the Government would not be increased. The above is the picture at San Francisco.

The next picture is at San Diego. I know specific cases where men were gassed, injured in France, actual combat veterans. They go to the United States naval hospital in San Diego. They want a few drops put in their eyes, and the officer says, "Oh, no; we cannot give you dispensary treatment. We cannot put a few drops in your eyes. You are a retired Army man. But if you want to go in the hospital here, and put a charge of \$3.75 a day on our Treasury, on the taxpayers, we will take you in, but we will not take a minute of time or place a nickel's worth of medicine in your eyes."

That is unfair.

Here is another case. I am going to answer and meet the War Department objection. We want to be fair with the War Department and the Navy Department; but at the same time we are asking only for simple justice.

I would be satisfied with Senate bill 1460 if it were amended to include, in line 7, on page 2, after the word "with" the additional words "dependents of."

This is what it would do—and this is in reference to out-patient service. I contend that if I am in San Diego, a veteran of two wars, as I am, and if I am physically unable to go to the San Diego hospital, the Government owes me consideration equal to that extended to a lady who married a recruit only yesterday.

The Navy Department will send their doctors all over San Diego to treat, for instance, the 18-year old wife of a recruit sailor, but the Department has neither the funds nor sufficient doctors so they can send their doctors out to treat helpless old disabled veterans of from one to three wars.

Mr. Chairman, I know positively that if this bill, S. 1460, is enacted into law, it will actually save money to the Government, and under no condition put a load on the Government, as expressed by the Department in the statement that they will need new facilities.

Mr. Chairman, our men are not malingerers. We are not going to ask a doctor to come from the hospital unless we are helpless. We respect our doctors. We have the highest regard for them. I know that our men have the same high regard and respect for them that I have. We are not going to ask our doctors to come to us unless we

are unable to go to the hospital. What prompted me to bring that matter up was that I know a man who every week or 10 days had to be drained for some bladder trouble. Take that case as an example, and see the expense that could be saved the Government in that man's case. That man could have gone into the naval hospital, and it would have cost the Government \$3.75 a day for the entire month. Yet if this same naval doctor who treats him in the hospital would go out to his house twice a month all that money would be saved. They admit that out-patient service represents \$1 a visit. If the action I suggest were taken, in that one case alone there would be a saving of over \$100 for the taxpayers.

The cases I refer to are so isolated and so rare that even to bring that question up is in a way disrespectful to our group, because we have a high regard for our officials and our superiors. We are not going to ask anything that is impossible. All we ask is humane consideration.

I think I have covered that part of the reciprocal hospitalization. I am satisfied that Mr. Lofgren, who will follow me, who represents the navy men, will also substantiate the things I have said.

Before I conclude I wish to state that the only time this question of reciprocal hospitalization ever has arisen in my eleven years' experience as the editor of this paper, it has been centralized in San Francisco and in San Diego. Throughout the rest of the United States there is only one or two retired men, perhaps, in the various towns. You will be surprised how few men there are in the various cities. Over one-quarter of the entire retired list lives in California. Practically everything I have expressed to you is predicated on the situation as I know it in California. And there is no need for the War Department to be apprehensive or disturbed about the expense involved. It would be absolutely nil. I get no complaints from any other source than from San Francisco and San Diego.

I thank the committee for the privilege granted me to testify.

Major WATT. I have a question. A retired man may be living, say, 50 miles away from San Francisco, who is not able to go to the naval hospital.

Mr. HOEPEL. We are not interested in that man, Major. We are only interested in the man who comes in the same category as a dependent of the active-service personnel. I have made that proposal. We will meet the War Department more than half way. If the wife of a recruit will be visited 50 miles away, then we want to have the same service, but if the wife of a recruit is visited within a mile or two—I think that is the service they receive—then we want it also. We want the same thing, and we think we are entitled to the same consideration as the wife of a recruit who stubs her foot on the bathroom floor. All we want is equal consideration.

The total amount of money which the Government takes from the enlisted man today, the \$21-a-month man mostly, is \$681,000 per annum. Yet the War Department admits that it costs only \$40,000 a year to provide for the retired men in the Soldiers' Home here. That is what they pay now. And they estimate that the cost for free hospitalization for the Army men is \$12,000. In other words if the committee approves of this bill and it is enacted into law, the enlisted men of the Army will still be providing \$640,000 per annum more from their pay than the Government is paying for the service for which we are asking.

Another point involved, in reference to the Soldiers' Home. I do not think there has been a question on that. It is specific law that, after a man had served 20 years, he is entitled to admission to that home. No mention whatever is made in the law that after we have served 20 years we must pay. It is only an arbitrary provision based upon the decision of the Judge Advocate. There is no law on the statutes anywhere which provides that we must pay when we receive domiciliary care or hospitalization. The War Department knows that. That we have been forced to pay is due to the fact that we require hospitalization and we pay it through their arbitrary stand, because there is no provision of the law which provides for it; absolutely none.

Senator JOHNSON of Colorado. Thank you very much.

STATEMENT OF C. E. LOFGREN, NATIONAL SECRETARY, FLEET RESERVE ASSOCIATION, WASHINGTON, D. C.

Senator JOHNSON of Colorado. We will now hear Mr. Lofgren. You may proceed in your own way and make your statement, Mr. Lofgren.

Mr. LOFGREN. My name is C. E. Lofgren. I am national secretary of the Fleet Reserve Association.

Mr. Chairman, I represent the Fleet Reserve Association, a veteran naval organization, whose membership is composed of enlisted men who have served from 16 to 30 years in the Navy and Marine Corps and are now on the retired list of the Fleet Reserve. My organization recently went on record as favoring unification of the laws governing hospitalization of retired enlisted personnel, Army, Navy, and Marine Corps and Coast Guard, and recommends favorable action by this committee on Senate bills 1460 and 1461.

At the last session of Congress, through the efforts of my organization, we were successful in having an amendment made to the Naval Reserve Act of 1938, which provided for a new section to that bill reading as follows:

Members of the Fleet Reserve and retired enlisted men shall receive the ration allowance prescribed by law for enlisted men of the Regular Navy when such men are hospitalized in a Federal hospital in accordance with law.

By that action the Congress of the United States has recognized that a retired enlisted man of the Navy and Marine Corps is entitled to be hospitalized at Government expense whenever he is in need of hospitalization. My organization feels that the Navy man should not be favored over and above the Army man, and the man in the Coast Guard.

I happen to know that the Committee on Military Affairs of the Senate has been most sympathetic to the welfare of the enlisted men of the Army. Frankly, I cannot understand why the War Department should interpose an objection to granting free hospitalization to the poor retired enlisted man who has served 30 years in the service of his country. Many of these retired enlisted men of the Army—and naturally my organization only has an interest in the retired personnel of the Army so far as national defense is concerned—after 30 years' service cannot be master sergeants or in the higher brackets. Many of them receive low pay. Some receive in the vicinity of \$30 or \$40 a month retired pay after 30 years' faithful and

honorable service in the Army. When they are sick and need hospitalization, and have to go to an Army hospital, it seems wrong for the Government of the United States to take away approximately \$20 a month from their meager retired pay.

Now, some will argue that the man on the retired list of the Army and Navy is receiving an allowance for quarters and for food. The total allowance for those purposes, to which also is added rations and clothing and fuel, amounts to \$15.75. That is the allowance that the retired enlisted man receives for those purposes on the retired list. Perhaps it might be said that if these men are given quarters and rations while in a hospital that that part of their \$15.75 allowance should be deducted from their pay. That condition does not prevail in the Navy.

The Comptroller General has recognized that Congress, by its action at the last session, prescribed a ration allowance for retired enlisted men of the Navy and Marine Corps when hospitalized in accordance with law, and no part of his \$15.75 meager allowance is being taken away from him. I might also say that enlisted men of the Regular Navy, when they are detailed to duty where there are no quarters or subsistence available, are given a ration allowance which totals up to \$1.95 a day in lieu of quarters and rations. Those men, if they go to a hospital, receive that quarters and subsistence allowance in addition to actual quarters and subsistence at a hospital, because the Congress has recognized that they have to pay their rent while they are in the hospital, and they also have to provide food for their families.

Coming back to the Navy and this change in the law at the last session which granted the ration allowance for retired enlisted men when hospitalized in a Federal hospital in accordance with law, I am very sorry to say that the Comptroller General of the United States has placed a very narrow construction on that particular section. He has held that an enlisted man of the Navy who was fortunate enough to be hospitalized in an Army hospital under the Army and Navy regulations is not hospitalized in accordance with law; and, therefore, when the enlisted man of the Navy goes to an Army hospital, he must pay the ration charge prescribed by the War Department for his hospitalization, the daily cost of the ration being in the vicinity of 65 or 70 cents a day.

I do not think the Comptroller General was fair in that construction. In my opinion, it was the intent of Congress to provide free hospitalization for enlisted men on the retired list of the Navy when hospitalized in an Army hospital in accordance with law. Now, if the man is being hospitalized, as the Comptroller General says, in accordance with Army and Navy regulations, my feeling would be that if he is not hospitalized in accordance with law he is being hospitalized unlawfully; but that is the way that particular section has been construed by the Comptroller General so far as the enlisted man of the Navy on the retired list is concerned.

Unfortunately, the retired men of the Army could not be brought into this particular section because it was a bill dealing with the naval reserve; and influential members of the Committee on Naval Affairs, when questioned on the privileges extended to the enlisted men of the Navy over and above those granted to enlisted men of the Army, told those who were interested in the subject that they would have

to go to the Committee on Military Affairs to get justice for the retired enlisted men of the Army; and I believe that is the basis on which these two bills have been introduced before this committee.

It is my earnest hope that this committee will favorably report out the bill to extend free hospitalization to all retired personnel on a parity with what some of the services are now giving to their enlisted personnel. Unification of laws governing the personnel of the Army, Navy, Marine Corps, and Coast Guard is most desirable, as I am certain that you, as chairman of this subcommittee, will recognize. It is manifestly unfair that the Army man, from his meager retired pay, should have to pay a ration charge that the Navy man gets as part of his free hospitalization.

As Mr. Hoeppel has said, most of the retired personnel are living in California. That is a fine tribute to the State of California. I speak with authority when I say that 25 percent of the retired enlisted men of the Navy maintain their homes in the State of California. Around San Diego, there are more than 2,200 of the retired men of the Navy living in that small county. In various other States throughout the country we have a scattering of retired personnel; and I believe that the conditions so far as the Navy is concerned apply equally to the Army—that the Army retired men congregate also in California, and that here and there are a scattered few living close to Army and Navy hospitals.

I might cite just one or two instances in which reciprocal hospitalization would be a godsend to some of our retired personnel.

We maintain naval hospitals at those points where there are naval centers. For the Midwest we maintain a hospital at Great Lakes, Ill., and at Pensacola, Fla. A man living near San Antonio, Tex., for instance, in order to get hospitalization from the Navy, would have to proceed more than a thousand miles to either Pensacola or Great Lakes to be hospitalized. If you had reciprocal hospitalization, he could be privileged to go to the nearby Army hospital and be admitted in his own right as a retired enlisted man of the Navy. It would save him a thousand-mile trip to the nearest hospital.

Certainly it is in the interest of national defense for the Government of the United States to provide the means whereby the facilities of the Army and Navy hospitals could be interchanged, to provide treatment—out-patient treatment as well as hospitalization—when these men are sick, and really need a friend.

I could elaborate on the subject for hours, but I feel that those who are coming after me to speak before this committee have something to present. I feel that Mr. Hoeppel has presented his story in a very straightforward manner.

In conclusion, let me just say that I believe this committee is interested in national defense to the point where it is interested also in the welfare of the retired enlisted men of the Army, the Navy, the Marine Corps, and the Coast Guard. I certainly hope and pray that you will favorably report both of these bills.

Senator JOHNSON of Colorado. Thank you, Mr. Lofgren.

STATEMENT OF MILLARD W. RICE, NATIONAL LEGISLATIVE REPRESENTATIVE OF THE VETERANS OF FOREIGN WARS

Mr. RICE. Mr. Chairman, my name is Millard W. Rice. I am national legislative representative of the Veterans of Foreign Wars.

Practically every former member of the Army, Navy, Marine Corps, or Coast Guard who would be potentially affected by the provisions of Senate bill 1460 and of Senate bill 1461 has had service during some war, campaign or expedition, because, having served for 30 years, he has served during some one of the wars in which our country has been engaged. During the last 42 years, the United States has been in two wars and in several campaigns and expeditions. Therefore it is almost inconceivable to think that there could be any man who has been retired from the Army, Navy, or Marine Corps without having had some war service during that period of 30 years, service.

Title 24, section 6, United States Code, provides that---

Whenever any officer, seaman, or marine entitled to a pension is admitted to a naval hospital his pension while he remains there shall be deducted from his accounts and paid to the Secretary of the Navy for the benefit of the fund from which such hospital is maintained.

Public Law No. 198, approved July 19, 1939, contains a section which reads as follows:

SEC. 4. In the administration of laws pertaining to veterans, retired officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, who served honorably during a war period as recognized by the Veterans' Administration, shall be, and are, entitled to hospitalization and domiciliary care in Veterans' Administration facilities on parity with other war veterans and subject to those provisions of paragraph VI (A) of Veterans Regulation Numbered 6 (c), which provide for reduction of monetary benefits to veterans having neither wife, child, nor dependent parent while being furnished hospital treatment, institutional, or domiciliary care.

In other words, these veterans may be entitled to free hospitalization in a Veterans' Administration facility, if it happens to be conveniently handy. But they are not entitled to free hospitalization in the Army and Navy hospitals; that is, an Army man is not entitled to hospitalization in a Navy hospital without prior permission, and vice versa. If he is hospitalized in either an Army or a Navy hospital he must suffer certain deductions from his retirement pay.

It would seem that the same privilege of hospitalization in an Army or Navy hospital or in the United States Soldiers' Home should be accorded to such retired men as is accorded to them in a Veterans' Administration facility. In order that that can be brought about, we believe it is desirable that the provisions of Senate bill 1460 be enacted into law.

Also, to the same end, we believe it desirable that Senate bill 1461 should be enacted into law, so that there shall be no charges against them while hospitalized in any such institution and no deduction from their retirement pay.

In order that there might be no difficulty in interpreting the language or no misinterpretation of the term "retired enlisted men" and since it had been intended that that term include those who were placed on the inactive list after 16 or 20 years' enlistment in the Navy or Marine

Corps, it is believed desirable that an additional section be added to Senate bill 1461, to read as follows:

SEC. 2. The term "retired enlisted men" shall include all individuals who have heretofore, or who may hereafter be transferred to an inactive or retired status in accordance with laws pertaining to enlisted men.

Also, in order that there may be no possibility of misinterpretation as to when this law should go into effect it is deemed desirable that the word "hereafter" shall be inserted after the word "shall" in line 8 on page 2 of Senate bill 1461.

The interests of our organization, the Veterans of Foreign Wars, in this proposed legislation are: First, because of the fact that practically every retired man is a war veteran and because, many of the members of our organization, or potential members, might be affected thereby; second, because we believe there should be a greater uniformity as to the eligibility for, and entitlement to, the benefits accorded to various classifications of war veterans under similar conditions.

At our last national encampment the V. F. W. went on record as endorsing legislation which would secure greater uniformity of benefits for the various classifications of veterans and their dependents. In other words, where a precedent has been set that certain benefits shall be accorded to certain classes of war veterans, we believe the same benefits should be accorded to similar classes of other war veterans and to their dependents, where feasible. We believe this to be feasible as to the proposed legislation embodied in these two bills, and therefore we are happy to add our endorsement to the endorsement of other veteran organizations. I thank you for this opportunity.

Senator JOHNSON of Colorado. We thank you.

Just one question I should like to ask you, and should also like to propound it to Mr. Lofgren and to Mr. Hoeppe. Before we started these hearings we went over the objections offered by the War Department and the Navy Department and the Public Health Service to these two bills, and each of these departments hints that there would be a considerable burden placed upon the Federal Treasury should the bills be enacted. My question to you is, can you give me an estimate of what the burden will be upon the Treasury from the enactment of the bills and what will the burden be upon the facilities for extending the provisions of these bills to persons not now enjoying such hospitalization?

Mr. RICE. Let me say, first, that the burden upon the hospital facilities should not be increased by this proposed legislation because these retired men, if they served during some war are entitled to free hospitalization in Veterans' Administration facilities now without any deductions from their retired pay. It is merely a matter of extending additional convenience to them so as to give them the same privilege of free hospitalization in the various governmental hospitals furnished by the Federal Government, whether it be Army, Navy or the Veterans Administration facilities.

Senator JOHNSON of Colorado. Then your answer is that the burden upon the present facilities would not be great?

Mr. RICE. Would not be materially increased, if at all. As pointed out by Mr. Hoeppe, there might even be some saving in the facilities because of the privilege of out-patient treatment, as provided in Senate bill 1460. These men would then be willing to go to the

nearest facility and that would save some travel expenses for the Government.

There perhaps would be some cost in the matter of deductions. As to that, I have not made an analysis, not having had an opportunity of looking over the contents of the reports received from the War Department and the Navy Department. Perhaps Mr. Hoeppel can answer that question better than I can.

Senator JOHNSON of Colorado. You are not able at this time to make an estimate of what the cost to the Treasury would be?

Mr. RICE. No; I do not know.

Senator JOHNSON of Colorado. And you have no idea and can make no estimate at this time?

Mr. RICE. I think it could be made, but I have not made it, because I knew Mr. Hoeppel had given a great deal more study to that point than I had; but I was persuaded in my own mind that there would not be any great amount of cost involved.

Senator JOHNSON of Colorado. Thank you, Mr. Rice. If no one has any objection, I should like to have Mr. Hoeppel and Mr. Lofgren address themselves to my question.

ADDITIONAL STATEMENT OF JOHN H. HOEPEL

Mr. HOEPEL. Mr. Chairman, I can answer the question. According to the War Department report the increased cost of this legislation would be only \$12,000, and it will never be more than that, if their finding is correct, because in October, at Letterman Hospital, there were being hospitalized approximately 18 to 22 enlisted men, or about that number, and at the same time in the same hospital there were 250 World War veterans for whom the Veterans' Administration was paying the hospital \$3.75 a day. The same thing applies in San Diego and every other Army hospital. They have more than sufficient beds for the military personnel, with no expense involved, and each and every one of these hospitals is taking in war veterans, and the Veterans' Administration is paying \$3.75 a day for their maintenance.

So, if this bill is approved——

Senator JOHNSON of Colorado. You mean these bills.

Mr. HOEPEL. If these bills are approved, and a Navy man goes into an Army hospital, there will be no additional cost for him, because that is already being taken care of. The only cost would be if an Army man goes into a Navy hospital, and that is more than absorbed by the large number of patients the War Department and Navy Department are taking care of from the Veterans' Administration for whom they receive \$3.75 a day.

In fact, when I was a Member of Congress, Admiral Rossiter, who was then Chief Surgeon, came to me and tried to get me to get war veterans in his hospitals to fill his beds. He had too many doctors and he had too many beds, and that is what they are doing today, so the actual cost involved in this bill would be only what the War Department estimates, \$12,000, for the free hospitalization of Army men, because there would be no extra cost over the present cost.

Senator JOHNSON of Colorado. \$12,000 a year?

Mr. HOEPEL. Yes.

Senator JOHNSON of Colorado. Your estimate is that the total cost of these two bills to the Treasury would be \$12,000 a year?

Mr. HOEPEL. It would be less, as I mentioned awhile ago. For instance, the War Department report says the cost would be \$12,000, provided we enlisted men go into Army hospitals free. If this bill is approved many of our men will not go into the hospital because they will get dispensary treatment and out-patient treatment; they will not go into the hospital at all. I have a letter from a man who required some treatment for his ears in Los Angeles, and he was forced to go and stay in the soldiers' home at Sawtelle for 3 months in order to get treatment for his ears. They would not give him periodic out-patient treatment. So you can see that the enactment of this legislation, outside of that \$12,000 expenditure, will mean an actual saving to the Government, and in view of the amendment I have suggested, to give us the same out-patient service as they give to a woman who marries a soldier or sailor tomorrow, it will add no extra cost, because if the Navy Department or War Department find that they cannot treat the dependents of peacetime veterans, naturally we do not want it, but, as it is, Negro servants of officers are being taken care of in Army hospitals, and veterans who served in three wars have to pay when they go in. Those are basic facts. Civilians of every kind go into the hospitals. There is no question of cost involved for extra doctors and extra beds and extra facilities. That is all an alibi; there is nothing to it.

I know what I am talking about. I have watched this question for years. I know who are in our hospitals. The Army and Navy Departments are profiting at the expense of the Veterans' Administration. They are making a big profit on the charge of \$3.75 a day that they are getting from Veterans' Administration patients.

ADDITIONAL STATEMENT OF C. E. LOFGREN

Mr. LOFGREN. Mr. Chairman, I have no means of determining the additional cost which these two bills would entail to the Treasury of the United States by reason of additional personnel required in Army and Navy hospitals to take care of the retired personnel. I am not at all satisfied, though, I am sorry to say, with the figures given by the War Department on the \$12,000 cost to provide free hospitalization for the retired personnel. The various insurance companies, in their hospitalization programs which they offer for sale, figure the period of hospitalization as about 21 days. At 70 cents a day for an average hospitalization of 21 days, the figure would be \$14.70 for each man. Over the course of a year, for an annual expenditure of \$12,000, that cost of \$14.70 a man for his rations would provide hospitalization for only 850 retired men. It is my personal belief that, among the retired personnel of the Army, certainly in the course of a year there are considerably more than 850 retired men hospitalized. I believe, therefore, that the figures of the War Department are inaccurate, because those figures will provide hospitalization for only 850 men at a cost of \$14.70 each.

Senator JOHNSON of Colorado. At what figure would you place the estimate?

Mr. LOFGREN. Any estimate I would make would be just a figure picked out of the air. I would say \$50,000.

Senator JOHNSON of Colorado. That sounds much more reasonable.

Mr. HOEPEL. No, Mr. Chairman. May I interrupt?

Mr. LOFGREN. I should like to make this statement in elaboration. That is not an additional cost to the Treasury Department. It is just that the Treasury Department will not take out of the pockets of the retired enlisted men the \$50,000, or whatever the figure is, required to pay for hospitalization.

Senator JOHNSON of Colorado. It would still be a net cost to the Treasury.

Mr. LOFGREN. It would be a net cost.

Senator JOHNSON of Colorado. That was the figure I was trying to get at. The members of this committee will want to know the answer to my question. What will these bills cost? That is the first question they will ask.

Mr. LOFGREN. One man's guess is as good as another's, without accurate figures on the subject. I am sorry to say that my guess is \$50,000, as compared with the \$12,000 cost estimated by the Army. If the major has anything to say on that subject, I would like to hear from the War Department.

Major WATT. Both the Navy and the War Department have stated that they would need additional facilities in order to take care of retired personnel. They are unable to say how much the additional facilities would cost.

Senator JOHNSON of Colorado. The Assistant Secretary indicated in his letter, as you read it, Major Watt, that the present facilities would be overtaxed to such an extent that they could not perform their present function of taking care of the active Army.

Major WATTS. That is correct. The reference to the \$12,000 by Mr. Hoeppel in the War Department report reads like this:

The amounts collected by way of subsistence charges are credited to the hospital fund and disbursed for the benefit of the hospital patients. At the present time these collections amount to approximately \$12,000 annually in the case of enlisted men, and \$50,000 annually in the case of officers.

Senator JOHNSON of Colorado. So that that would be a total of \$62,000. I am greatly surprised at the amount being so small. My guess would be that it would be very much larger than that, considering the increased facilities that would be made necessary by these bills.

Major WATT. The War Department does not refer to the additional facilities in these figures.

Senator JOHNSON of Colorado. I understand; but nevertheless that would be additional cost to the Treasury.

Mr. LOFGREN. May I ask the major a question?

Senator JOHNSON of Colorado. I shall be very happy to have you do so.

Mr. LOFGREN. Do you contend, Major, that during the course of the year there are only 850 retired enlisted men of the Army hospitalized in Army hospitals?

Major WATT. Approximately.

Mr. LOFGREN. It would be \$12,000 against \$50,000 for officers. To me that ratio would seem entirely out of proportion.

Senator JOHNSON of Colorado. It would seem unreasonable.

Mr. HOEPEL. The officers are not entitled to hospitalization. They should not be considered at all in this bill. They never have been.

Major WATT. Officers are not considered in this bill. This was merely a statement of the War Department to show the difference in the cost.

Senator JOHNSON of Colorado. Thank you very much. Do you have any additional statement to make, Mr. Hoepfel?

Mr. HOEPEL. I think the representative of the Regular Veterans Association will present my statement. I can tell you, Senator, that the War Department is accurate, and there is going to be less than \$12,000 expenditure under this bill, because, as Mr. Rice has just read, our men are going to the Veterans' Administration facilities. Men in Los Angeles will not pay their way to go to San Francisco or to San Diego, but they go to Veterans' Administration facilities, where they get the same treatment free. The expense of \$12,000 is going to be even less under this bill. Our men are staying out of hospitals. They are going to facilities near their own homes. The cost is going to be less than \$12,000.

Senator JOHNSON of Colorado. Thank you very much.

Mr. HOEPEL. Furthermore, I should like to bring out the point that there would be absolutely no necessity for additional facilities or additional medical men. In Letterman Hospital, the largest hospital where our retired men congregate, we have only 18 or 20 men now, and we have 200-odd Veterans' Administration patients. If we are going to fill Army hospitals with Veterans' Administration patients, we will need more facilities; but if the Army will provide for the Army enlisted men, active and retired, then there will be more than ample facilities, and there will be no extra cost. I know the hospital question perfectly. I have been working on it for years. The cost would be less than \$12,000.

Senator JOHNSON of Colorado. The next witness is Mr. LeRoy P. Chittenden, national educational director of the Regular Veterans Association.

STATEMENT OF LeROY P. CHITTENDEN, NATIONAL EDUCATIONAL DIRECTOR, REGULAR VETERANS ASSOCIATION

Mr. CHITTENDEN. Mr. Chairman, the Regular Veterans Association is a national organization comprised of members, past and present, of the regular armed forces of the United States; namely, the Army Navy, Marine Corps, and Coast Guard. Our objectives are fraternal and patriotic, and, as an organization, our interest lies in the welfare of the enlisted men of the services as patriotic American citizens who are rendering a valuable service to the Nation.

We are entirely in favor of the provisions of this bill for the reciprocal hospitalization of retired men of the regular service, and, in urging its favorable report by this committee and its enactment by the Congress, we submit the following brief statement for the record.

Retired men of the military services have given the best years of their lives to the Federal Government in a dangerous occupation at small pay and allowances. Most of these men have experienced the hazards of one or more wars or expeditions in which the United States has engaged. They have willingly undergone all the rigorous service and hardships involved in these actions. Upon retirement from the service these men are generally along in years and at a stage in life when health and vigor begin to wane. Often they are in real need of hospitalization when there are no authorized facilities immediately available to them.

By right of their long years of service to the Government and to the people of the United States, these men are entitled to hospitalization

after retirement, but, under present regulations, when the necessity arises they are compelled to go to a hospital of the service from which they retired. They are not entitled to hospitalization in World War Veteran facilities nor in those of other branches of the armed services other than their own, unless they saw service in the World War.

Thus, these retired men must more often than not undergo great hardship and expense for the reason that they are long distances from hospitals to which they are eligible, and seriously ill.

Those who have served in the armed forces of the United States, either in time of war or in time of peace, have served the same cause, the same Government. Retirement after many years of service is an acknowledgment of service well done, honestly and faithfully performed under all kinds of conditions. There is no real reason why any Federal hospital facility whatsoever should not be available to these men in time of need.

At the present time veterans of the World War are hospitalized, not only in Veterans' Administration facilities but in Army and Navy hospitals and in soldiers' homes of the Federal Government as well. Therefore, and in the interest of economy and the common-sense administration of Federal business, the Regular Veterans Association believes and contends that retired enlisted men of the Regular service should be entitled to hospitalization in any of the Federal facilities nearest them at the onset of sickness.

Hospitalization when necessary is the important point, in our opinion, not regulations that are based on the adequacy of appropriations and other administrative reasons. Where funds may be involved, a transfer of funds from one department to the Government to another can readily be effected as a matter of administration without making it difficult for the retired Regular service man to secure hospitalization when he needs it most.

It is the opinion of the Regular Veterans Association that the retired Regular should have the same privileges as any other veteran in the matter of hospitalization. Thank you, gentlemen, for permitting us to present our views before this committee.

Senator JOHNSON of Colorado. Do we have any other witnesses? Does anyone else have anything to say on this subject?

Mr. MILLARD W. RICE. Mr. Chairman, I should like for the record to show the total number of retired enlisted men in the Army and in the Navy. I do not know what those figures are.

Senator JOHNSON of Colorado. Will you furnish them for the record, Mr. Rice?

Mr. RICE. I cannot furnish them, Mr. Chairman. The War Department and the Navy Department certainly can do so, and I think it would be pertinent to this situation to show the number potentially affected.

Senator JOHNSON of Colorado. It seems to me, if you will pardon me, that the Federal departments, the Army, the Navy, and the Health Service, should furnish us with an estimate of the net cost of these bills to the Treasury. I do not understand that they have done so. I know that that is one thing which Congress will want to know.

Major WATT. They have not, Senator, because they do not know what is involved.

Mr. CHITTENDEN. Do you mean that they have no basis upon which to proceed?

Major WATT. Probably on further survey they might be able to submit a figure of approximate cost.

Senator JOHNSON of Colorado. Of course we would not expect anything more than an estimate, but it does seem to me that they could furnish us with an intelligent estimate.

Mr. RICE. Mr. Chairman, it seems to me there are two phases of the bill to be considered in the matter of cost: First, the matter of deductions: How much they will amount to? And, second: What will be the increased cost of hospitalization? Those are two distinct questions, as I look at it, and the War Department has apparently admitted the amount of deductions which will no longer be made, as about \$12,000. We must assume that that is substantially correct. Even without these bills, these retired men will hereafter seek to get into Veterans' Administration facilities rather than Army and Navy hospitals so as to avoid deductions from their retired pay.

Senator JOHNSON of Colorado. But each of these would be a cost to the Treasury.

Mr. RICE. Oh, yes; certainly. Now as to the other phase of the question, as to whether or not it would cause any additional hospitalization expense, it seems to me that we can figure that out pretty well on the basis of logic rather than on the basis of actual figures. I do not know whether actual figures would be possible. These men are now entitled to hospitalization without deduction in the Veterans' Administration facilities. Therefore, if they need it they can get it in some governmental institution. It is merely a matter of making hospitalization available to them on the same basis in the Army and Navy hospitals as it is now available to them in the Veterans' Administration facilities; and to provide such reciprocal hospitalization would not seem to add to the expense.

Senator JOHNSON of Colorado. That might cause a considerable derangement of present facilities. You might have a lot of empty beds in the Veterans' Administration facilities, and an increased demand upon your naval hospital facilities, and that might make a considerable cost to the Federal Government in rearranging these facilities.

Mr. RICE. The number of regular veterans that are hospitalized is comparatively small in the Veterans' Administration facilities. Therefore, if we had the total number of retired enlisted men we could arrive at a computation, but there are very, very few, and the Veterans' Administration report will show it. We have that here.

Mr. CHITTENDEN. Mr. Chairman, we have the figure of the number of men from the Regular Establishment who are being hospitalized in the Veterans' Administration facilities at the present time, which would indicate that there are adequate provisions for the enlisted personnel in the Army and Navy, if they are in a position to turn those beds over to Veterans' Administration patients.

Mr. RICE. By the way, I have the figures here as to the number that were hospitalized last year in Veterans' Administration facilities. There were 218,621 veterans who received hospital treatment during the last fiscal year up to June 30, 1939; 53,861 were in Veterans' Administration facilities on June 30, 1939. That is about one-fourth of the total number who received hospitalization during the year's period. There were 28,000 who received domiciliary care during the last fiscal year, of whom 15,426 were still in the domiciliary facilities

on June 30, 1939, of whom 14,058 were World War veterans, and again of whom 13,195 were without service-connected disabilities.

Let me say that there were 12,486 disabled Regulars who received hospital treatment during that year's period for short or long periods of time in Veterans' Administration facilities. Only a small portion of them are retired Regulars. I believe the major gave the total number who received treatment in the Army and Navy hospitals as some 800, was it not? So most of that hospital treatment is now furnished in Veterans' Administration facilities, and more of them will insist on going into Veterans' Administration facilities this year and next unless these bills become law.

Mr. Chairman, I should like to submit for the record veterans' statistics as of June 30, 1939.

Senator JOHNSON of Colorado. I think it would be useful to have those figures placed in the record at this point.

(The statistics referred to are as follows:)

VETERAN STATISTICS AS OF JUNE 30, 1939

- 4, 791, 172 served in United States armed forces during World War.
- 4, 185, 220 served in Army, 2,059,629 overseas.
- 531, 258 served in Navy; 68,289 in United States Marine Corps; and 6,405 in Coast Guard; about 50 percent overseas.
- 23, 908, 576 registered for the selective draft.
- 2, 810, 296 were inducted after draft selection.
- 250, 240 were discharged from the draft after being called.
- 10, 250 Army men dishonorably discharged.
- 130, 103 total deaths.
- 39, 347 were killed: 37,541 Army; 1,450 marines; and 356 Navy.
- 13, 999 died of wounds: 12,934 Army; 1,007 marines; and 58 Navy.
- 53, 346 were combat deaths: 50,475 Army; 2,457 marines; and 414 Navy.
- 75, 460 died of diseases: 62,670 Army; 304 marines; and 12,486 Navy.
- 1, 297 died of other causes.
- 116 deaths now occur each average day among war veterans: 88 World War; 22 Spanish-American War; 5 Civil War Veterans; and 1 Indian wars.
- 201, 325 wounded, not mortally: 193,611 Army; 7,714 marines.
- 342, 072 World War veterans—less than 9 percent of all—receive compensation for service-connected disabilities: 44,213 on temporary partial ratings; 1,813 on temporary total ratings; 263,955 on permanent partial ratings; and 32,091 (or 9.38 percent of all) on permanent total ratings.
- 25 percent of all service-connected disabled World War veterans receive less than \$20; 55 percent less than \$30; 65 percent less than \$40; 75 percent less than \$50; and 80 percent less than \$60 per month compensation; 90 percent less than total compensation; and only 9.91 percent receive compensation for total disabilities; an average as to all of \$40.24 per month.
- 52, 936 World War veterans receive pensions of \$6 or \$30 per month for permanent total non-service-connected disabilities.
- 34, 185 disabled Regulars receive pensions averaging \$21.91 per month.
- 3, 516 Civil War veterans were receiving pensions.
- 2, 525 Indian war veterans were receiving pensions.
- 165, 710 Spanish-American War, Philippine Insurrection, and Boxer Rebellion veterans were receiving pensions averaging \$52.48 per month.
- 1, 832 Emergency World War officers were receiving retirement benefits.
- 154, 512 service-connected death claims have been allowed; 99,822 are now active.

- 99, 822 deceased World War veterans, who died by reason of service-connected disabilities, provide pensions for 29,070 widows, 35,521 children, and 82,398 parents.
- 12, 220 deceased service-connected World War veterans, who died by reason of some other disability, provide pensions for 10,356 widows and 19,500 children, at average monthly payment of \$29.21 per case.
- 55, 882 deceased Spanish-American War veterans provide pensions for 53,352 widows, 8,378 children, and 456 parents.
- 4, 251 deceased Indian war veterans provide pensions for 4,207 widows, 76 children, and 7 others.
- 57, 915 deceased Civil War veterans provide pensions for 55,665 widows and 2,449 children.
- 166 widows of Mexican War (1848) veterans receiving pensions.
- 1 deceased War of 1812 veteran provides pension for one daughter.
- 218, 621 veterans received hospital treatment last fiscal year; 53,861 on June 30, 1939.
- 28, 585 veterans were admitted for domiciliary care last fiscal year, 15,426 remaining on June 30, 1939, of whom 14,058 were World War veterans (13,195 nonservice connected).
- 48, 527 were World War veterans; 10,443 service connected and 37,016 nonservice connected and 1,068 others.
- 2, 848 were other war veterans; 12,486 disabled Regulars; 37 allied veterans; 106 were Civilian Conservation Corps and Work Projects Administration employees; and 113 miscellaneous.
- 31, 216 were neuropsychopathic patients, 17,922 general medical and surgical patients, and 4,979 were tubercular patients.
- 71, 124 beds: 54,779 hospital and 16,345 domiciliary, in 84 Veterans' Administration facilities.
- 2, 748 beds in other Government hospitals (Army 1,100; Navy, 1,063; Public Health Service, 499; and Interior Department, 86).
- 38, 169 veterans were under guardianship.
- 4, 113, 041 applications for adjusted compensation, involving \$3,764,118,-824.96.
- 4, 500, 000 World War veterans applied for war risk insurance, involving \$39,000,000,000.
- 604, 666 Government life-insurance policies in force with face value of \$2,567,173,628.
- \$62, 325, 101. 74 received in premiums during year.
- \$8, 391, 682. 64 paid out in dividends during year to 409,760 policy holders.
- 1, 315, 737 World War veterans are now less than 45 years of age; 1,823,976 between 45 and 50; 840,282 between 50 and 60; 2,725,283 more than 45; 901,307 more than 50; 61,025 more than 60; and 21,729 more than 65.
- 4, 041, 020 living World War veterans now constitute about 3.2 percent of the total population; about 5.54 percent of total adult population; about 43 percent of adult population between 40 and 50 years of age.
- \$557, 078, 000 appropriation to Veterans' Administration for year ending June 30, 1940, is only about 6.05 percent of all Federal appropriations for year.
- \$23, 466, 000, 000 has been expended because of relief to veterans and their dependents since Nation was founded, which, however, is only about 13 percent of the grand total of all Federal expenditures of about \$176,000,000,000.

Senator JOHNSON of Colorado. You have spoken of a shifting from the Veterans' Administration facilities to naval hospitals. As I understand the bill there would also be a shifting from the soldiers' and sailors' homes to the hospitals.

Mr. RICE. No, Senator.

Senator JOHNSON of Colorado. That is, those who do go to the homes now would, under this bill, be entitled to go to the hospitals.

Mr. RICE. The same deduction is made if they go to a United States soldiers' home as if they went to an Army or a Navy hospital. You

may be thinking of a Veterans' Administration home. They can go there now without deductions unless they are single men.

Senator JOHNSON of Colorado. Yes; but instead of going to these homes, should Senate bill 1460 pass they might very well go to veterans' hospitals.

Mr. RICE. They can do that right now.

Senator JOHNSON of Colorado. Not at their own request.

Mr. RICE. Yes, they can, Senator. That is the point. That is one reason why there were 12,486 disabled Regulars, some of them retired, who received hospital treatment in Veterans' Administration facilities this last year.

Senator JOHNSON of Colorado. That is not according to the War Department statement which was read here this morning. The bill provides "upon their own personal request." The War Department letter stated that at the present time they have to be acceptable to the hospital.

Mr. RICE. That is right. But the point is that right now during the last fiscal year 12,486 disabled Regulars received hospital treatment in Veterans' Administration facilities. They have to get authorization for it. This bill would merely give them the privilege, if it were found to be more convenient to them, to secure that hospitalization in an Army or Navy hospital, whichever might prove to be more convenient to the man, on a reciprocal basis, and certainly on the same basis as he now is entitled to such hospitalization in a Veterans' Administration facility.

Senator JOHNSON of Colorado. But that would bring about a shifting.

Mr. RICE. Oh, yes; it might.

Senator JOHNSON of Colorado. And any shifting that is brought about will naturally bring about a cost in new facilities that will be required.

Mr. RICE. May I call this to your attention, Senator? If, by chance, this bill should cause a greater number of retired enlisted men to ask for hospitalization in Army and Navy hospitals than is now the case, then correspondingly there will be room for more World War veterans to receive treatment in the Veterans' Administration facilities, whereas at the present time the Veterans' Administration is contracting for beds in Army and Navy hospitals; so that it will just be pouring this way and pouring that way. It will be a mutual shifting back and forth.

Senator JOHNSON of Colorado. Yes; provided they have a sufficient demand for beds in all the facilities, your statement is true as to a mere shifting of them.

Mr. RICE. I grant you that it could be that the demand for certain hospital facilities would be greater in certain States than in certain others; but the total number of veterans, for example, in California, disabled Regulars and World War veterans and Spanish War veterans, who require hospitalization, would be the same whether they secure that treatment in Veterans' Administration facilities, Army and Navy hospitals in separate categories, or all on an optional basis.

Senator JOHNSON of Colorado. Thank you, Mr. Rice. I wanted to clear up these points, because they are the very points about which the Congress will want to know. We are very economy-minded out there now, and it is necessary to answer questions about what bills are going to cost.

FURTHER STATEMENT OF JOHN H. HOEPEL

Senator JOHNSON of Colorado. Have you an additional statement you wish to make?

Mr. HOEPEL. Just a short statement, Senator.

With your permission, Senator, I will insert in the record the official figures on the number of enlisted men of the Navy and Army which were given to me last week by the War Department and the Navy Department. I have the official figures, and I will insert them in the record.

Senator JOHNSON of Colorado. We should like to have them.

Mr. HOEPEL. I will put them in the record. I have even had them broken down into the pay categories.

(The data referred to are as follows:)

Statistics pertaining to retired enlisted men of the Army and the Navy as of December 1939 as furnished by War and Navy Departments

There are 10,426 retired enlisted men of the Army, and in addition there are 697 retired enlisted men from the Philippine Scouts subdivided as follows.

Grade	Monthly pay	Retired enlisted men of the Army	Retired enlisted Philippine Scouts
I.....	\$133.87	3,860	31
II.....	94.50	3,717	128
III.....	83.25	1,095	38
IV.....	66.37	1,409	255
V.....	55.12	147	188
VI.....	43.87	135	55
VII.....	35.44	63	2
Total.....		10,426	697

Average pay of all retired enlisted men is \$100.90 a month. It will be noted that 1,784 retired enlisted men in the last four grades (white) receive less than \$66.38 a month for 30 years of honorable service.

NAVY RETIRED ENLISTED MEN

As of January 31, 1940, there were 23,338 enlisted men on an inactive Reserve or retired status. These were subdivided as follows:

16-year men (8,013), average monthly pay.....	\$54.75
20-year men (5,156), average monthly pay.....	95.73
Retired enlisted men (9,169), average monthly pay.....	90.93

Average monthly pay all inactive and retired..... 80.47

The men in the 16- and 20-year class comprise men who have served in the active service 16 or 20 years. When they complete 14 and 10 years respectively in the Reserve they are then placed on the retired list, and receive an addition of \$15.75 in the average monthly pay shown.

The pay of the retired men as shown is lower than the pay of those shown in the 20-year group. This is accounted for by the fact that about 5,000 of those shown as retired do not receive the allowances of \$15.75 because they have not completed 30 years service. This group was retired because of disability and not for stipulated service.

Mr. HOEPEL. In reference to hospitalization again, I reiterate, Senator, that the total cost to the Treasury if these bills are approved will be positively and definitely less than \$12,000. I know what I am talking about. The War Department claim that they are paying today \$12,000. That is what the cost is. The only change is that

if this bill is enacted we will go in there free, and we will not pay that \$12,000.

A Coast Guardsman is maintained free today in his hospital. A Navy man or a Marine Corps man is maintained free in his hospital. Regardless of what hospital they go into, the cost on the Treasury is the same. The cost is going to be the same whether a Navy man goes to an Army hospital or a Coast Guardsman goes to a naval hospital. The only new expense will be \$12,000 to provide for those of us who are retired from the Army.

Mr. Rice mentioned 12,000 regulars. We who are retired should not be confused with the regulars who are pensioners. There are some thirty-odd-thousand of those, but there are only 16,466 retired enlisted men, and there are thousands and thousands of us who do not live near a hospital; and, as I told you a moment ago, there are only 18 or 22 now in Letterman Hospital. We do not flock to the hospitals; and giving us free hospitalization is not going to take us from our homes. Our men are going into the nearest facility. That is all we want—to make it convenient so we can be nearer our homes. All our men in Los Angeles go in the veterans' facility. They no longer go to the Letterman Hospital. That is a big saving.

I can assure you, Senator, that the total cost will be less than \$12,000. Men will no longer go in the hospital if they can get dispensary treatment, as in the case I mentioned—there are numbers of them—where a man was forced to go into a hospital for 3 months just for treatment for his ears. They will not do that, in future if these bills pass.

Senator JOHNSON of Colorado. Is that estimate of yours of \$12,000 likely to go up or down?

Mr. HOEPEL. It will positively go down, Senator?

Senator JOHNSON of Colorado. And not go up?

Mr. HOEPEL. And not go up. It will absolutely not go up. There is no chance for it to go up.

Major WATT. By reason of out-patient treatment they would get?

Mr. HOEPEL. By reason of out-patient treatment. That will keep us out of the hospitals. We do not want to waste our time in hospitals. We want to be with our families. We are getting old. We will not live much longer. We do not want to be separated from them. We are not going into hospitals if we can avoid it. We will save money for you, and I am confident the expense will be much less than \$12,000 I should like to have that definite statement in the record, because all I do is to watch these hospitals in an endeavor to help the disabled enlisted men.

Senator JOHNSON of Colorado. Thank you, Mr. Hoeppel.

We have some letters from the War Department, from the Health Service and from the Navy Department that we would like to have made part of the record. They are objections to the bill.

(The letters are as follows:)

WAR DEPARTMENT,
Washington, January 26, 1940.

HON. MORRIS SHEPPARD,
Chairman, Committee on Military Affairs,
United States Senate.

DEAR SENATOR SHEPPARD: In further reference to your request of February 21, 1939, for a report on the bill S. 1461 (76th Cong., 1st sess.) and the reply of the War Department, dated May 16, 1939, the following additional comment is submitted.

The bill S. 1461 in part provides: "That no charge directly, or indirectly, shall be made against the retired pay or allowances of retired personnel while hospitalized or domiciled in any Army or Navy hospital or United States Naval or Soldiers' home facility."

As respects the deduction made at the United States Soldiers' Home of that part of the compensation of retired enlisted men which comprises an allowance of \$9.50 per month in lieu of rations and clothing and \$6.25 per month in lieu of quarters, fuel and light, the War Department in its report to the committee stated as follows:

"Under the long established practice of the Government which does not permit a person to receive a monetary allowance for a particular purpose at the same time that he is receiving the allowance in kind, the regulations of the Soldiers' Home require that a retired enlisted man, while domiciled at the home pay to the home the allowances granted by the Government in lieu of rations, clothing, quarters, fuels, and light."

Since submission of the aforementioned report, the Department has been advised of a ruling of the Treasury Department "that the act of March 2, 1907, which merely reenacted the existing law (as to retirement pay) and added provision for definite sums as allowances, including commutation for quarters, fuel, and lights, does not constitute the character of allowances as anything other than a part of 'his entire personal pay.' * * * Amounts received by such men (retired enlisted men) in addition to pay proper, regardless of terminology employed, are accordingly in the nature of additional compensation for services rendered and are taxable as such, and should be included in information returns on Form 1099 for retired enlisted men and noncommissioned officers of the United States Army." In substance, this ruling is to the effect that the \$15.75 received by a retired enlisted man in lieu of rations, clothing, quarters, fuel, and light, is pay rather than an allowance.

In view of the ruling of the Treasury Department, the War Department withdraws its opposition to such part of the bill S. 1461, (76th Cong., 1st sess.), as would prohibit deduction of the sum of \$15.75 from the retired pay of enlisted men domiciled in the United States Soldiers' Home, provided the bill be amended by inserting immediately after the word "shall" in line 8, the word "hereafter." However, this change would not modify the Department's objection to other features of the bill.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

WAR DEPARTMENT,
Washington, May 16, 1939.

In reply refer to: G-1/10381-23.

HON. MORRIS SHEPPARD,
*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR SENATOR SHEPPARD: In response to your request of February 21, 1939, the following report is submitted on S. 1461, a bill "To remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard."

The act of February 13, 1936 (49 Stat. 1137), requires the deduction of a sum not to exceed 25 cents from the monthly pay of each enlisted man and warrant officer on the active list which sum shall be passed to the credit of the permanent fund, United States Soldiers' Home (trust fund) in the Treasury of the United States. The exact sum to be deducted is fixed by the Secretary of War, within the limit prescribed, on the recommendation of the board of commissioners of the home as to the amount required to meet the needs of the home. Annual contributions under the existing strength of the Army amount to approximately \$495,000.

Existing law requires the Secretary of the Navy to deduct from the pay due each officer, seaman, and marine, in the Navy the sum of 20 cents per month for each person to be applied to the fund for Navy hospitals (R. S. 1614, 4808).

Section 1, act of March 2, 1907 (34 Stat. 1217), fixes the compensation of a retired enlisted man at 75 percent of the pay and allowances he may be in receipt of at time of retirement and prescribes that the allowances shall be \$9.50 per

month in lieu of rations and clothing, and \$6.25 per month in lieu of quarters, fuel, and light.

Section 207 of the Naval Reserve Act of 1930, act of June 25, 1938 (52 Stat. 1180), provides that members of the Fleet and Marine Reserve and retired enlisted men of the Navy and Marine Corps shall receive the ration allowance prescribed by law for enlisted men of the Regular Navy when such men are hospitalized in a Federal hospital in accordance with laws. The effect of the law is to amend out of the act of January 19, 1929 (45 Stat. 1090), the provision for deduction of ration allowance as provided by section 4812, Revised Statutes, as to the naval personnel described, when hospitalized in a Federal hospital in accordance with law. By decision of the Comptroller General, A 97203, December 5, 1938, it is held that for the purposes of the Act of June 25, 1938, "admissions to a Government hospital" without the prior approval of the Navy Department (with the possible exception of emergency cases) are not hospitalizations "in accordance with law."

Retired enlisted men, being a part of the Army, are entitled under existing law and regulations, to be admitted to Army hospitals for treatment upon request, if in the opinion of the commanding officer of the hospital benefit may result from treatment which the hospital affords. Entry merely for domiciliary care is not permitted nor can a retired person be admitted if facilities, such as beds, are not available. Retired Army enlisted men may, be admitted to certain other Government hospitals upon request of the Surgeon General.

Army regulations prescribe that the subsistence charge made against retired enlisted men in Army hospitals shall be the actual cost of the garrison ration plus 50 percent (90 percent in the case of tubercular patients). The actual cost of the ration varies with the locality, being dependent in part upon local prices. The average cost of the ration over a recent 12-month period was 44.3 cents. Actual charges made against retired enlisted men vary between 60 and 75 cents per day. The charge made to officer patients in Army general hospitals is \$1 except that in certain hospitals the charge is \$1.50. The amounts collected by way of subsistence charges are credited to the hospital fund and disbursed for the benefit of hospital patients. At the present time these collections amount to approximately \$12,000 annually in the case of enlisted men and \$50,000 annually in the case of officers.

Information available in the War Department reveals that the average number of retired enlisted men, exclusive of the Philippine Scouts and Insular Forces of the uniformed services in the fiscal year 1939 is approximately 20,000 including over 10,000 retired enlisted men of the Army. Inclusive of the transferred Regular enlisted men of the Fleet and Marine Reserves, the total number of possible beneficiaries of the bill would be nearly 40,000. No definite information is available as to the exact number of retired personnel treated in Army hospitals. It is probable that a larger number might avail themselves of the services of Army hospitals if no charge is made for subsistence.

Under the long established practice of the Government which does not permit a person to receive a monetary allowance for a particular purpose at the same time that he is receiving the allowance in kind, the regulations of the Soldiers' Home require that a retired enlisted man, while domiciled at the home pay to the home the allowances granted him by the Government in lieu of rations, clothing, quarters, fuels, and light.

Deduction of such monetary allowance when domiciled in the Soldiers' Home is not inconsistent with the absence of such deduction when a man is admitted for treatment to Government hospitals since in the latter case the duration of stay is ordinarily temporary and the man is commonly under the necessity of maintaining his home elsewhere. Domicile in the Soldiers' Home is more or less permanent in character and the inmate is ordinarily under no necessity of maintaining a separate home.

The bill, as it now stands, includes provisions to the effect that hereafter retired enlisted men of the Army domiciled at the Soldiers' Home shall receive care and maintenance without charge. If enacted with such provisions, the bill would operate to permit retired enlisted men to receive free care and maintenance at the home, and simultaneously to receive and enjoy the full retired pay and allowances granted them by the Government to enable them to provide for themselves. In other words, the bill would effect a manifest duplication of provision for the care and maintenance of retired enlisted men domiciled at the home. This would reverse the long-established practice and policy of the home, of requiring retired enlisted men seeking admittance therein to agree to pay into the Treasury of the home each month an amount equivalent to the allowances which they receive for subsistence and quarters, or \$15.75. It will be noted that this

leaves untouched their retired pay proper ranging from about \$18 per month for privates up to about \$118 per month for master sergeants.

It may be argued that the duplication above-mentioned is justified by the fact that 25 cents per month is deducted from the pay of each enlisted man and warrant officer on the active list of the Regular Army under the act of February 13, 1936 (49 Stat. 1187; 24 U. S. C. 44a). In other words, it may be contended that the retired enlisted man has paid in advance for the care and maintenance he receives at the home. That contention is without substantial merit. No such deductions were authorized or made during the period May 11, 1908, to March 1, 1936. How long and in what amount they may continue, is conjectural. In any event, they constitute only a partial and very minor payment toward the cost of care and maintenance of an inmate at the home. If such deductions were to continue during the entire period of 30 years' service necessary to establish eligibility for retirement of an enlisted man, he would have contributed an aggregate of only \$90 to the home, while the cost of the care and maintenance of a single inmate of the home averages about \$1.37 per day, or over \$500 for a single year, excluding the cost of the services of Army officers on duty at the home whose pay and allowances are paid from War Department appropriations. A large proportion of the present annual income of the permanent fund of the home is derived from forfeitures of pay by sentence of court martial and other accruals, which, if they were not allocated by law to that fund, would go into the general fund of the United States Treasury. It follows that the average inmate of the home has contributed very little, if anything, toward the cost of the care and maintenance he receives there, and that a large part of such cost is borne by the Government.

With respect to discontinuance of the charge for subsistence made against retired enlisted men in Army hospitals, the attention of the committee is invited to the fact that all persons in the Navy and Marine Corps contribute 20 cents a month to the Navy hospital fund. If such a charge were in effect in the Army an enlisted man, who under existing laws may retire only after 30 years' service, would contribute \$72 to Army hospital funds prior to retirement (service credited as double time for retirement disregarded). In the absence of a contribution similar to that required of naval and marine personnel, or of a charge for subsistence as now made against persons actually hospitalized, additional appropriations would be necessary for the proper maintenance of Army hospitals. The War Department believes that existing system in effect for the Army is equitable since only those who benefit from the hospital funds are required to contribute thereto.

It is estimated that S. 1461, if enacted into law, will result in additional costs to the Government as follows:

Discontinuance of all charges for subsistence of retired enlisted men hospitalized in Army hospitals, approximately \$12,000.

Discontinuance of all charges against retired allowances of retired enlisted men domiciled in the United States Soldiers' Home, \$40,000.

For the reasons set forth in the foregoing paragraphs, the War Department does not recommend favorable consideration of the bill S. 1461.

The bill, if enacted into law, will affect the Navy Department and the Veterans' Administration. The information and views herein expressed relate only to the effects of the bill on the Army and its establishments.

The War Department has submitted a similar report to the chairman, Committee on Military Affairs, House of Representatives, on the companion bill H. R. 2893.

The War Department has been advised by the Bureau of the Budget in reference to the bill H. R. 2893 that there would be no objection to submitting the unfavorable report to the Congress.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

WAR DEPARTMENT,
Washington, April 4, 1939.

A. G. 705 (2-21-39) Misc. (A).

Hon. MORRIS SHEPPARD,

*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR SENATOR SHEPPARD: Further reference is made to your letter of February 21, 1939, transmitting S. 1460 (76th Cong., 1st sess.), a bill "To provide uniform

reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes," in which you request information and the views of the War Department relative thereto.

The proposed legislation is intended to authorize the admission, on their own application, of retired Army, Navy, Marine Corps, and Coast Guard personnel to Army and Navy hospitals, under the same conditions for maintenance charges as are now or which hereafter may be fixed for personnel in the active service. The bill also provides for out-patient treatment of the above-mentioned retired personnel on their own personal request.

Army Regulations authorize the admission of retired sick or injured personnel to Army hospitals as follows:

"Army retired personnel on inactive status will be limited to cases which in the judgment of the commanding officer of the hospital will be benefited by hospitalization for a reasonable time;

"Navy and Marine Corps personnel on the retired list (inactive status) on request of the proper representatives of the Navy Department or on their own request if their admission be deemed necessary by the commanding officer of the hospital concerned;

"Beneficiaries of the United States Veterans' Administration may be admitted in limited numbers to certain designated Army hospitals upon request of the proper representatives of that agency."

It is feared, if the bill be enacted into law, that certain hospitals, especially those located near our large cities, would be overloaded with retired personnel who have elected to reside in or near these centers of population. This condition would be detrimental to the active military service.

Army hospitals are located, built, equipped, and staffed with reference to the needs of the active Army. In late years the tendency has been to widen the scope of their activities so that now admissions are authorized for personnel of the Army, the Navy, active and retired, members of the Officers' Reserve Corps, Enlisted Reserve Corps, and National Guard on active duty, members of the Reserve Officers' Training Corps and Citizens' Military Training Camps attending training camps, dependents of active duty personnel, certain civilian employees, civilian seamen and river boatmen under certain conditions. Red Cross and other welfare workers, and beneficiaries of the Veterans' Administration. Since the establishment of the Civilian Conservation Corps it has been necessary to hospitalize their sick and injured in practically every Army hospital in the country.

It is believed that under existing regulations retired personnel of the Army are afforded adequate hospitalization and treatment consistent with the existing Medical Department facilities. The mandatory acceptance and treatment in Army hospitals of retired personnel upon their request, as contemplated in the proposed legislation, without regard to available facilities or the need for domiciliary or other care and treatment of such persons as determined by Army Medical authorities, would seriously interfere with the primary mission of the Medical Department which is the care and treatment of the active personnel of the Army.

It is not known how many of the retired personnel of the various services mentioned in the bill would take advantage of the hospitalization and treatment authorized if the bill is enacted into law. Consequently, it is not possible to submit any estimate of the additional cost of the proposed legislation.

This report pertains to the effect of the bill upon the Army. The measure under consideration affects the Navy as well as the Army.

For the foregoing reasons the War Department does not favor enactment of S. 1460.

A report similar in effect to the above was submitted to the chairman, Committee on Military Affairs, House of Representatives, on a bill H. R. 2892 (76th Cong., 1st sess.), which is identical with S. 1460.

The House bill above referred to was submitted to the Bureau of the Budget which reported that there would be no objection to the presentation to the committee of the report on H. R. 2892.

Sincerely yours,

(Signed) LOUIS JOHNSON,
Acting Secretary of War.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, May 4, 1939.

The CHAIRMAN, COMMITTEE ON MILITARY AFFAIRS,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: With your letter of February 21, 1939, you enclosed a copy of the bill S. 1460 "To provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes," and requested the views of the Navy Department relative to the measure.

On the same date under separate cover the bill S. 1461 "To remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard," was likewise referred to the Navy Department by your committee with a similar request.

Due to the nature of these bills, the comment and recommendation contained herein apply alike to both of the measures mentioned above.

With respect to the Navy Department the law provides:

"That hereafter the Secretary of the Navy may provide for the care and treatment of naval patients on the active or retired list and members of the Naval Reserve or Marine Corps reserve entitled to treatment in naval hospitals in other Government hospitals when appropriate naval facilities are not available and the Government agencies having control of such other hospitals consent thereto. All expenses incident to such care and treatment received by naval patients in other Government hospitals, excepting Saint Elizabeths Hospital, shall be chargeable to the same appropriation or fund as would be chargeable with the care and treatment of such patients in a naval hospital: *Provided*, That the deductions authorized by sections 4812 and 4813, Revised Statutes, shall apply to such care and treatment in other Government hospitals, except Saint Elizabeths Hospital, and shall be credited to said appropriation or fund" (45 Stat. 1090).

"Sec. 207. Members of the Fleet Reserve and retired enlisted men shall receive the ration allowance prescribed by law for enlisted men of the Regular Navy when such men are hospitalized in a Federal hospital in accordance with law." (52 Stat. 1180).

So far as personnel of the Army, Navy, and Marine Corps are concerned, reciprocal hospitalization already is provided under article 1204, United States Navy Regulations, 1920, and the complementary provision of Army Regulations, article 40-605 (3, 4).

The bill S. 1460 provides that retired personnel of the Army, Navy, Marine Corps, and Coast Guard, including enlisted men of the Navy and Marine Corps transferred to the Fleet Reserve and Fleet Marine Corps Reserve, requiring hospitalization shall be entitled to enter any Army or Navy hospital upon his own personal request and under the same conditions as are fixed for the active service. It is further provided that such personnel shall be entitled to dispensary and outpatient treatment under the same regulations governing treatment to active service personnel.

The conditions under which active duty personnel are sent to hospitals cannot be assimilated to the retired or inactive lists. Active duty personnel are sent to hospitals on recommendation of the medical officer or of a board of medical survey. *The need for hospital treatment is professionally determined prior to hospitalization.* The exception of the above is that of active duty personnel on leave, who may apply directly to either Army or Navy hospitals and receive treatment if the commanding officer of the hospital finds that hospital care is required. Both officers and enlisted personnel in a duty status are entitled to transportation to and from the hospital. Officers are required to pay the hospital ration, but no charge for subsistence is made to enlisted men.

Under existing regulations retired personnel of the Army or of the Navy and Marine Corps may be admitted to the hospitals of the other service on their own application, subject to the approval of the commanding officer of the hospital. When so admitted they are required to pay the subsistence charge fixed as the hospital subsistence rate for the Navy hospital or the Army hospital. This applies to both services when the admission is at the request of the individual. With respect to retired personnel of the Navy and Marine Corps, however, if hospitalization in an Army hospital is authorized by the Navy Department, no charge for subsistence against the individual is made as provided by section 207 of the Naval Reserve Act of 1938, quoted above (52 Stat. 1180).

It would appear therefore, that the bill S. 1460 grants no addition to reciprocal hospitalization now available to retired or reserve personnel of the Army, Navy or Marine Corps, except remission of the subsistence charge in case of retired or inactive enlisted personnel. The bill S. 1461 grants this same privilege. Both bills however, extend the same privilege to the Coast Guard. However Coast Guard retired personnel are entitled to care in the Army and Public Health Service hospitals.

The bill S. 1460 also provides for dispensary and out-patient treatment. If the increased cost to the Navy Department including personnel, material, extended physical facilities, such as addition to buildings, furniture, equipment and other necessary items are provided on the basis of the anticipated increase in individuals authorized to receive such treatment, the Navy Department can supply such treatment.

Without obtaining from the War Department and the Coast Guard the numbers and geographical distribution of their retired personnel, an estimate of the cost of the proposed legislation cannot be made. Approximately each day of hospitalization costs \$3.75 and each dispensary or out-patient treatment \$1. An increase in the appropriation "Medical Department" would result from the enactment of the bill S. 1460. It would also require expenditure from the naval hospital fund for the hospital care of persons who do not contribute to the fund.

The bill S. 1461 would relieve retired or inactive Navy and Marine Corps personnel from payment of the hospital tax during hospitalization. Naval hospitals are maintained to a large extent from the naval hospital fund, to which all personnel of the Navy and Marine Corps contribute throughout their entire service, not only on the active list but also on the retired list and after transfer to the Fleet Reserves.

The Navy Department considers that the existing regulations provide satisfactorily for the reciprocal hospitalizations of the Services and recommends against enactment of the bills S. 1460 and S. 1461.

If the committee decides to give favorable consideration to the bill S. 1460, irrespective of the adverse recommendation made above, the Navy Department recommends that it be changed to give the commanding officer of the hospital control, both as to admission and discharge. This may be accomplished by adding at the end of section 1 of S. 1460 the words: "if in the opinion of the medical officer in command of the hospital such admission is necessary."

Sincerely yours,

CLAUDE S. SWANSON.

TREASURY DEPARTMENT,
Washington, May 9, 1939.

HON. MORRIS SHEPPARD,
*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letters of February 21 and April 25, 1939, each of which enclosed a copy of S. 1460, Seventy-sixth Congress, first session, a bill "To provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes," and requested an expression of the views of this Department on the proposed legislation.

The bill provides that retired personnel of the services enumerated, and Fleet Naval and Fleet Marine Corps Reservists requiring hospitalization shall be entitled to enter any Army or Navy hospital upon their own personal request, under the same conditions as are now, or which hereafter may be, fixed for the active service.

Retired personnel of the Coast Guard are entitled to medical and dental relief only at marine hospitals and at relief stations of the Public Health Service (act of July 30, 1937; U. S. C., Supp. IV, title 24, sec. 8). However, active-duty personnel of the Coast Guard may also be hospitalized or receive out-patient treatment in Army and Navy hospitals when marine hospital facilities are not available. In case of hospitalization or out-patient treatment in Army or Navy institutions, the Public Health Service is required to pay the Department performing this function an established per diem or fee rate for each active duty Coast Guard patient. If the language of the bill applies the same conditions as exist with respect to the hospitalization or out-patient treatment of active-duty personnel, which appears to be the case, the Public Health Service also would be required to reimburse the War and Navy Departments at the same regularly established per diem or fee rate for the medical treatment of retired Coast Guard personnel.

This result would necessitate the appropriation of additional funds for the Public Health Service. The added expense would arise not only from the fact that the number of retired Coast Guard personnel seeking hospitalization would be increased due to the larger number of available hospitals, but also from the fact that some cases, especially those suffering from chronic diseases, may be cared for in a marine hospital at less than the usual per diem rate.

The Department is of the opinion that the added expense which would result from the enactment of the proposed legislation would not warrant its favorable consideration. However, should your committee decide favorably to report the bill, it is recommended that an appropriate provision be added thereto looking to the appropriation of funds necessary for the Public Health Service to meet the additional cost of extending hospitalization and out-patient treatment to retired Coast Guard personnel.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington, May 1, 1939.

Hon. MORRIS SHEPPARD,
*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of February 21, 1939, enclosing copy of S. 1461, Seventy-sixth Congress, first session, a bill to remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and requesting an expression of the views of this Department on the proposed legislation.

The bill provides that hereafter retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard, when hospitalized or domiciled in either an Army or Navy hospital or United States naval or United States soldiers' home, shall be extended such treatment or domiciliary care without cost, and that no charge, directly or indirectly, shall be made against the retired pay or allowances of such retired enlisted personnel while so hospitalized or domiciled.

The bill apparently assumes that retired enlisted men of the Coast Guard are now entitled to hospitalization and domiciliary care in Army and Navy institutions. However, retired personnel of the Coast Guard are entitled to medical treatment only at marine hospitals and at relief stations of the Public Health Service (act of July 30, 1937; U. S. C., Supp. IV, title 24, sec. 8). The privileges afforded under this statute do not require or authorize a charge, directly or indirectly, against the retired pay or allowances of such retired personnel taking advantage of such treatment.

If it is the purpose of the proposed legislation also to authorize free medical treatment and domiciliary care for retired enlisted men of the Coast Guard in Army and Navy hospitals, including those of the naval and soldiers' homes, it would seem that additional costs would result to be charged against applicable appropriations for those services. In view of this situation, the Department refrains from expressing its views on the merits of the bill and desires to abide by such position as may be taken by the War and Navy Departments in their reports on the proposed legislation.

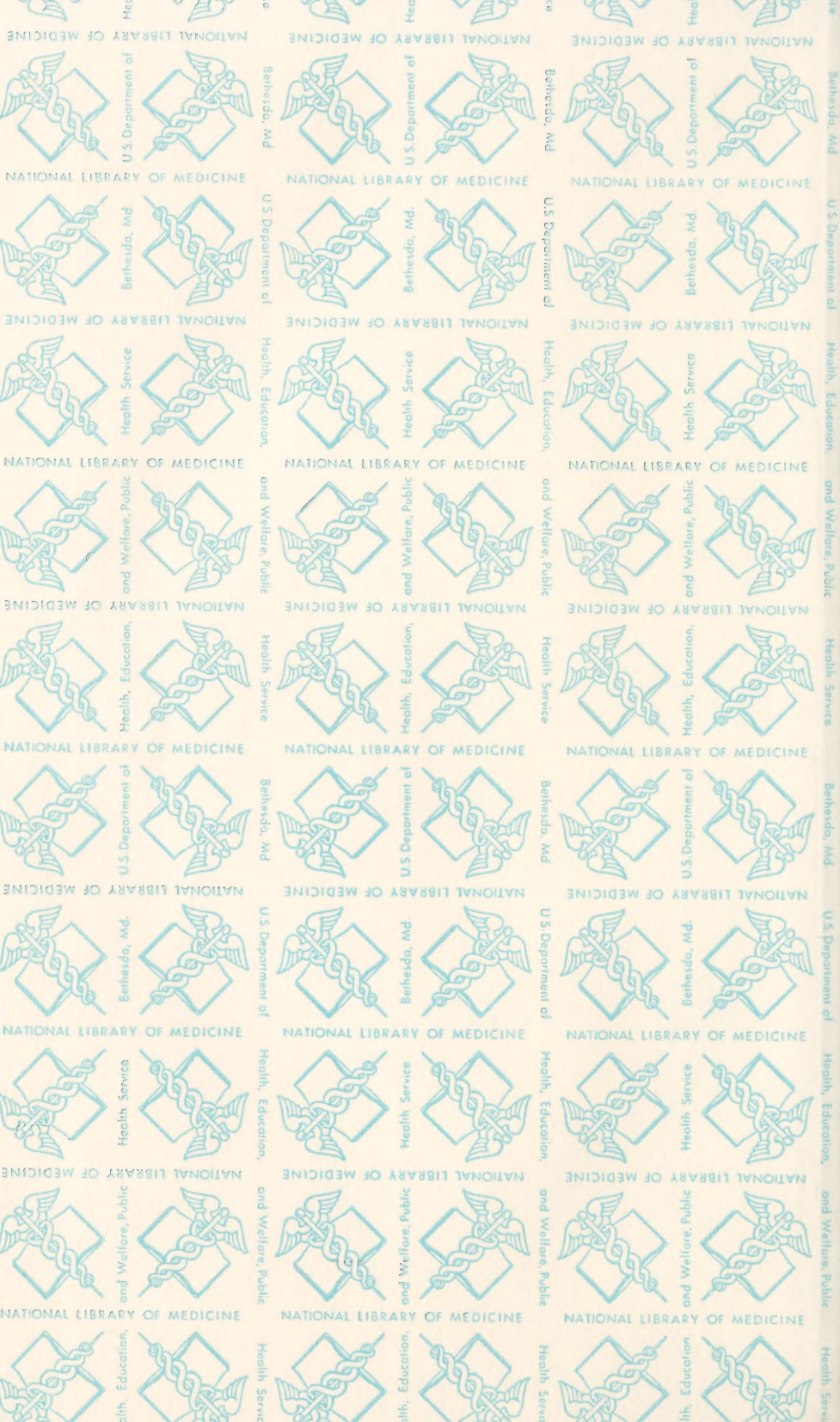
The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

Senator JOHNSON of Colorado. Are there any other witnesses—anyone else who wants to be heard, or anyone else who has anything to say? If not, the hearing is hereby and now declared closed.

(Thereupon the hearing was closed, and the subcommittee adjourned.)





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